

FINAL REPORT

# THE EGYPTIAN COMMERCIAL SERVICE: Considerations for Improving Operational Effectiveness

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report

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## **EXECUTIVE SUMMARY**

This paper will discuss findings, observations, conclusions and recommendations developed after meeting on several occasions with senior, mid-level and junior staff at the Egyptian Commercial Service of the Ministry of Foreign Trade. The purpose of my visit and meetings with the staff of the Egyptian Commercial Service (ECS) was to help support the Assistance for Trade Reform (ATR) project, a USAID-funded activity being implemented by the Nathan-MSI group. Specifically, my task was to advise the ECS on ways to upgrade their commercial representation services, considering some special circumstances and best practices of successful commercial services such as the U.S. Commercial Service.

As a result of my meetings with ECS staff, the following emerged as critical issues of discussion which I present here and include recommendations, as warranted, for further action and program implementation. Executing these suggestions will, without doubt, serve to significantly enhance the ECS organizational mandate to promote Egypt's export growth through improved operation of the ECS.

It is important to note that my initial observations and subsequent in-depth discussions with ECS staff indicate that many current ECS operating modalities are not inconsistent with trade promotion efforts practiced by other international government promotion schemes. This is a very positive finding and lends great promise that the new and spirited leadership of the ECS can take the organization to new and improved levels of performance. While a strong sense of urgency was detected in practically every meeting with ECS staff, I counseled the key importance of adhering closely to the sage managerial advice of "progress, not perfection." Interestingly, as I discussed, with the ECS training director and his young staff, the Japanese concept of "Kaizen" i.e. 1% improvement in work performance each day, I was happily amazed that they had already used this working oriental philosophy as a benchmark for shaping their new training program proposal.

As a basic point of departure in this review, my observations, findings and recommendations are guided by the expressed intentions of the Director of ECS operations to shape and implement, as expediently possible, action plans to:

- Improved performance of the organization
- Enhanced collaboration and effective linkages with other GOE ministerial departments
- Enhanced cooperation with other multiplier associations engaged in export promotion

Finally, as an adjunct to observations drawn from discussions with ECS staff, I held several meetings with program directors of local private sector entities. Most of these

entities can be, and should be viewed as potential primary targets for shaping multiplier relations which can help the ECS advance its goals and objectives.

## **I: ISSUES DISCUSSION**

As part of this consultancy, ECS requested that I prepare a series of specific recommendations for early wins that could be considered by ECS. These include the following:

### **A. Contacts with the United States Foreign Commercial Service**

Issue: As with every new beginning, new initiative, especially those aimed at re-inventing present modalities and establishing dynamic systems to meet the challenges of the future, which can arguably be the real today, it can be very useful to actively seek out collaboration and help from outside sources and institutions. The ECS, in working with ATR, is taking this first step by having this specific consultancy to look at practices and procedures of one successful commercial service i.e. the U.S. Commercial Service. In an effort to further examine the best trade promotion practices, it is recommended that the ECS undertake outreach to commercial representations of its leading trading partners. An initial first action, early-win type activity will be senior level ECS contact with commercial representatives at diplomatic missions resident in Cairo such as the U.S. Embassy, the embassies of France, UK and Germany. It is clear and understandable that no one trade promotion service is “all things to all people.” No should it be. And, it is even clearer that some services will be doing some things better than others, perhaps for different reasons. One thing is perfectly clear and that is the ECS can and ought to take advantage of looking at as many commercial trade promotion models as possible, selecting those best practice models from each that best fit ECS goals and objectives.

For example, a primary goal and objective of the U.S. Commercial Service is to measure the number of export “success actions” it is able to generate through the provision of an established array of business facilitation services to U.S. businesses. A “success action” is made when a verifiable dollar export is made. So, the actions are made and the dollars are counted and it is easy to know how market success is being achieved. This kind of measurement is a top priority for the U.S. Commercial Service. On the other hand, the number of market research reports prepared by commercial staffs and disseminated to industry end-users can be used as a primary tool for trade promotion. The best alternative to choosing the right mix of export promotion services will ultimately be determined by management. In the case of the U.S. Commercial service, using the “export action” criteria has been immediately beneficial in understanding market trends and has been effectively used to help best decide allocation of organization resources such as staff and dollars. Further, while “export actions” form a key baseline for the U.S. Commercial Service, it still provides a great deal of strong market research, especially short market insight reports which provide U.S. business readers, on a regular basis, short, concise “snap-shot” reporting on what is happening in any given market.

In the early days of 1990, the U.S. Commercial Service conducted a major Strategic Review of its world-wide organization. During this exercise, hundreds of U.S.

companies of all sizes were contacted and asked what the U.S. government could best provide them. The response was a resounding call for timely international trade and market information. So, by canvassing the end-user, the U.S. Commercial Service has been able to determine exactly what services best fit the needs of U.S. business. Conversations with senior ECS managers indicate that the ECS has already, in a similar effort, taken action to maintain strong and active collaboration with leading Egyptian private sector groups such as the Egyptian Businessmen's Association.

As a part of activity aimed at facilitating prospects for contact between the ECS and senior representatives of the U.S. Commercial Service at the U.S. Embassy in Cairo, I met with Dr. James Joy, Commercial Counselor at the U.S. Embassy in Cairo to discuss collaboration with the ECS. Mr. Joy is prepared to meet ECS representatives in Cairo. This meeting is expected to be a "get-acquainted" session with the prospect of defining further areas for mutual cooperation and collaboration.

Action: ECS Director is encouraged to meet with U.S. Commercial Service Counselor Dr. James Joy. The purpose of the meeting will be to explain new initiatives being undertaken by the ECS and to explore ways which the CS might collaborate in these initiatives. This meeting will serve to build on actions already undertaken by the U.S. Commercial Service in collaboration with the GOE, specifically U.S. Commercial Service participation at training programs conducted by the Ministry of Foreign Affairs' Diplomatic Institute.

Timing for Action: Immediate, within next 30 days.

## **B. Establishing a Mentoring Program within ECS**

Issue: The real strength of the ECS is its people...investing in human capital is essential for sustained growth and performance improvement. To promote performance improvement opportunity for staff, especially new entrants, establishment of a mentoring program is recommended. The U.S. Commercial Service has in place, a program which, while not institutionalized, is operating on a sustained and well-accepted basis. Under this program, senior Commercial Service officers are encouraged by management to volunteer to serve as mentors to junior staff. The purpose of mentor is to provide good, orderly direction to junior staff, helping them to successfully confront challenges that will invariably arise during the early days of their careers as commercial diplomats. The mentor, a seasoned officer will share with the junior officer about the myriad of factors, including career assignment strategies, best practice concepts, etc., generally those special insights that only come from experience and training. The mentoring process, when effectively presented and maintained with vigor, interest, dedication and enthusiasm, will greatly serve to bolster the morale, performance and effectiveness of the entire ECS organization.

In conversations with ECS staff, including sessions where both senior and mid-level officers were present, the consensus was unanimous that a form of mentoring will be helpful. However, the general agreement was that, if instituted, the program should be on a voluntary basis, with junior staff encouraged to seek out a more senior officer and ask that he/she serve as a mentor. Mentoring programs are being used, with great success, by many forward thinking organizations. One prime example is General Electric, a world-renown enterprise. It must be emphasized, however, that a mentoring program is not a cure for performance problems, the key to career advancement, or a substitute for career training. (Training is essential and will be discussed later in this report.) The insights a mentor can provide may help identify opportunities and problem areas early in the career of an ECS officer.

Action: The ECS Director is recommended to order the establishment, on a voluntary basis, a mentor program. While voluntary, the Director's instruction will be to urge every member of the senior staff to embrace the concept and make it a key part of their individual work plans. The value of this action will be immediate and will have lasting, long-term benefits to the organization.

Timing for Action: Immediate.

### **C. Training of Junior Officers**

Issue: A sequential approach to training for ECS staff is basic for sustained growth and career performance development. A plan that incorporates on-going training at all levels is required, including entry level, basic training, mid-level and senior-level. The ECS training plan for 2004 developed by the ECS training department presents a good start. The task at hand remains to identify a "core curriculum" for each training level. While all the series of topics elaborated by the current ECS plan are useful, there is just too many listed for getting a focused practical program underway. Keeping in touch with the Alpha/Omega principle, ECS needs, with ATR assistance, to establish a series of training activities that will span the time a new entrant begins his/her service right through the time senior officer moves on to retirement. Acting expediently to get moving on this work, the first step suggested will be to design and deliver:

The following elements are suggested as some "core topics" to include in this basic, orientation, get-to-know the organization training.

- Strategic Plan overview and ECS Mission Discussion
- Overview of Egyptian Export History
- Working and Living Abroad in an Embassy Environment
- Working Partnership Across Cultures: Diversity Management
- Operations and Administration Management
- Trade Event Management
- Personnel Operations

- Performance Management

Again, these are suggested topics. Additional topics, as determined by ECS management may be added. However, these are the “core” topics which should be included as a start.

This kind of initial training is designed to provide the basic “framework”, the “foundation” for getting started. And, for convenience, it is the kind of “early win” that can effectively be started in-house, i.e. using the staff resources already in place. Every single one of the abovementioned “core” topics can be presented by ECS staff managers, especially those officers already having experience working both at ECS headquarters and overseas. The role of the ECS Regional Directors will be key and vital.

This initial training, in the process of using in-house resources and providing needed basic information to all new officers, will serve to support the collaboration and linkage mandate of the ECS Director. For example, on course segments dealing with Export History, Strategic Plan, Diversity Management and Working and Living Abroad in an Embassy Environment, it will be of great advantage to invite participation of other MOT operating units (WTO, etc.) as well as other GOE ministries such as the Ministry of Foreign Affairs.

At our planning session with senior ECS management, the ECS Director counseled that ATR assistance “look at weak points” in the ECS operation. As mentioned at the beginning of this report, much of the operative side of the ECS appears to be in place and in good shape. Now, is the time to move forward guided by the ECS acceptance not to seek and copy any particular model used by other commercial services, but rather to review, select and modify as might be desired, those which fit the needs and interests of the ECS.

Although staff training has been an element of ECS activity in the past, it has been on an ad hoc basis rather than having a systemic recurring approach. And, it is worth noting here that the new ECS Training unit was created only two months ago. Nonetheless, there is an obvious sense of strong commitment to mission espoused by the acting Training Director and the members of his staff.

Action: ECS Director of Training will elaborate core curriculum for a Basic Junior Officer Training Course which will, at minimum, include the topics outlined above. In the process of designing this offering which will become a standard part of the ECS training program, the ECS Director of Training will work closely with other ECS managers, especially the Regional Directors, the appropriate personnel of other MOT offices as well as with other trade related GOE ministries. In the process, it is vital that close and constant contact and collaboration with the Training Directors at other related GOE ministries be maintained by the ECS Director of Training.



Timing for Action: Immediate. The initial session will be ready for “roll-out” NLT mid-January 2004. The session should be a one-week, all day event.

#### **D. Offshore Training for ECS Staff**

Issue: ECS Training staff inform that current “on-site” training offerings are limited. One major off-shore vendor, CBI, a Netherlands-based training institute, was mentioned several times as being a valued helpmate to the ECS. CBI has already provided several well-received trainings at the ECS Cairo headquarters. These have been usually one week in length and are currently offered under the auspices of the Ministry of Foreign Affairs. Here again, is an identifiable “early win” opportunity. The ECS is encouraged to continue to use the CBI training offerings and to the maximum extent possible arrange to have the training delivered on-shore. Further, ECS can look for collaborative opportunity to work with Ministry of Foreign Affairs on this agenda and/or proceed directly to collaborate with CBI directly. The choice in this regard will be guided by strategic managerial thinking aimed at maximizing relationship marketing prospects.

It was discovered that a few off-shore trainings for ECS staff have been accomplished using OMECH and SME in Greece. And, some training has been completed in China, Spain and Italy. Notably, the training held in Spain was not considered as valuable as that achieved in other locals.

A primary consideration being discussed at this time is the efficacy of using off-shore training provided by a U.S. vendor. From my experience, it is not so important where the training expertise is found or delivered, but rather the quality of the training provided. If the decision to use U.S. vendors is the choice made, it is imperative to build, as soon as possible, an inventory of prospective training sources. A few that come immediately to mind include:

- Thunderbird, The American Graduate School of International Management
- The American Management Association (AMA)
- The University of Massachusetts at Boston
- The American University, Washington, D.C.

For course offerings that fit extremely well with the entire ECS staff at every level, the programs offered by Thunderbird are internationally renowned for excellence. One particular course entitled, “Global Leadership: Managing Cross-Cultural Relationships for Business Results,” would be an ideal “first-start” for ECS participation. This in-depth program provides persons with leadership responsibilities with the leadership interaction skills necessary to develop and cultivate complex cross-cultural relationships in a global setting. Program content includes many of the key topics already included in the ECS Training Plan for 2004. Key topics included in the program are:

- Leadership Development

- Leading Change in an Organization
- Motivation Skills for increased Performance
- Problem Solving Techniques
- Interpersonal and Intercultural Business Challenges in Today's Global Economy
- Concepts and practice for communicating Effectively Across Cultures
- Mediation in Managing Intercultural Relationships

Several Thunderbird courses, including the above mentioned, have been presented by the school at Dubai and London. The ECS proximity to both cities creates an obvious benefit for management consideration.

AMA offers a wide-range of management courses and seminars, including important topics such as Strategic Planning which can serve to advance the ECS key goal to improve staff performance.

Other recommended points of contact might include:

- The GE Learning Center at Florence, Italy
- The American University Cairo

ECS, with the assistance of ATR, is encouraged to begin building immediately, an inventory of consultants and specialists who are capable of assisting ECS develop and implement training goals and objectives. Individuals incorporated in this inventory will be utilized when needed, when institution offerings do not totally meet ECS needs and/or when individual support provides value-added.

Finally, it is significant to note that senior ECS manager and deputy to ECS Director suggested two additional prospects as training venues. They are:

- George Washington University
- Johns Hopkins University, School of Advanced International Studies

Action: ECS, with ATR assistance, will explore prospects for strengthening and building on support already provided by CBI. Additionally, ECS, with ATR assistance, will build both an inventory of institutions and individuals qualified to assist CSR goal to improve ECS organizational performance.

Immediate contacts are suggested with Thunderbird and with the AMA.

Timing for Action: Immediate. Effort must be continuous.

## **E. Enhanced Training in Area Studies**

Issue: For any ECS officer assigned abroad, exposure to the language, culture and geography of the area of assignment is vital to maximizing prospects for success. Currently, no mechanism is in place to help meet this important need. ECS officers either know through individual learning or experience about the world where most will serve and promote their nation. Yet, none of them have had the benefit of tailored “AREA STUDIES” course offerings provided by the ECS. Here again, is an opportunity for an “early win,” looking to establish such specific course material and/or determining if a key MOT ministerial collaborator and helpmate such as the Ministry of Foreign Affairs may already have such training offerings at the Diplomatic Institute. If MOFA has specific regional area studies programs, the ECS must use them. If not, it must create them. They are an essential best practice when it comes to career training and development.

Action: ECS Training Director will begin immediately to design and implement “Area Studies” training modules that will cover the five geographic areas of the world-wide ECS operation. These courses may run for various lengths. A minimum of two weeks is suggested. A maximum of one month is generally sufficient.

To maximize use of scarce resources, it is suggested that these Area Studies programs be designed to be utilized by participants from all GOE entities who are being posted at GOE diplomatic missions abroad.

Course content will focus on the geographic, political, economic, commercial and cultural peculiarities of any given region. Academic as well as general knowledge practitioners will be used to instruct these courses which will be supplemented with specific region related text readings, other available reference materials and class discussion.

ATR support to this effort can be easily started with immediate outreach to elicit USG support. Specifically, contact must be made with The U.S. Department of State, Foreign Affairs Training Center (FATC). FATC has long experience in providing area studies coursework to U.S. foreign affairs agencies and will be an excellent source for advice and guidance on curricula development. Further, FATC has a cadre of academics and regional experts on staff as well as on call for specific program assignments. Some of these experts may be available to support this recommended ECS initiative.

Timing for Action: Immediate.

## **F. English Language Training**

Issue: English is firmly entrenched nearly everywhere as the international language of business, finance, and technology. The implications for business are enormous. It is no longer just the top execs who need to speak English. Everyone in the corporate food chain feels the pressure to learn a common tongue as companies globalize and

democratize. The language of business, of trade promotion is English, an industrial tool now as basic as the screwdriver. Countries, businesses, organizations and individuals that fail to achieve a high proficiency in English risk falling behind in the competitive global workplace. The English fluency (only oral observed) at the ECS is good. Yet, it can and must be improved. This is especially true as current ECS staff training does not provide for language instruction, especially for staff being assigned abroad. For example, an officer being sent to France, unlike in some foreign commercial services, is not provided French language training prior to assignment. Normally, the individual will already have acquired knowledge of the language. It is recommended that training in English be established “in-house” to provide ongoing opportunity for staff, particularly those destined for overseas postings, to hone English language skills. Special focus in such training will be on mastering “Business English.”

Action: Implement intensive English language courses at the ECS. While officers would not be expected to attend on a full time basis, sessions would be conducted weekly which would permit officers to attend once or twice every week. Frequency can be decided upon by ECS training staff. The key is to start and sustain the training.

Timing for Action: Immediate, within six months.

## **G. Use of Expert Advisors**

Issue: In many instances where organizational change is being implemented, the use of short-term “on-site” experts can be helpful. New ideas, objective in nature and shared by persons with long-term experience in an associated endeavor, can serve to effectively promote the interests, goals and objectives of the organization experiencing change. From my relatively brief interaction with ECS staff, both senior and junior, it is clear that my on-site presence, working closely with them, sharing my experience and knowledge, has been of tremendous help in making concrete moves towards meeting the several goals enunciated by the ECS Director. More work is needed to sustain the effort.

Serious consideration ought to be given to positioning an “on-site” consultant/helpmate who will work on a regular and frequent basis with ECS staff. This person will be a primary point of information for the ECS as it continues to develop and implement its programs. It is suggested that this individual not necessarily be the only one engaged for this activity, but that several consultants be identified to provide the assistance desired. Further, such participations should not be restrictive to one at a time, but rather permit group consultant presence as might be required to best advance the desired goals and objectives of the ECS.

Further, positioning of consultative assistance ought not to be restricted to ECS headquarters in Cairo, but be considered, at least on a pilot basis, to include select ECS representations abroad. While left to the discretion of ECS management, it is suggested that ECS representations at Washington, New York, Paris be among the first considered.

Duration of consultant presence will be determined by availabilities of consultant(s) and program needs of ECS/ATR/USAID.

Timing for Action: Immediate. As soon as possible. ECS, with ATR support should begin building inventory of consultant/helpmate prospects immediately.

## **H. Use of Resource Allocation Matrix Analysis in Strategic Decision Making**

Issue: In an era of greater fiscal restraint, the requirement for continuous review of available resources (and their allocation) , both fiscal and human takes on greater importance. The ECS should consider establishing an on-going mechanism to review and measure resource allocations, especially the assignment and positioning of overseas staff, aimed at ensuring to the optimal extent possible, the best opportunity to capitalize on existing market share and to expanding that share.

During discussions with ECS senior staff, it was mentioned that some overseas ECS operations have been “frozen” i.e. closed. Some of these such as Oslo, Norway had regional trade promotion responsibilities for several neighboring markets. The decision to “freeze” Oslo may limit ECS support to future Egyptian export growth in the regional markets affected. To the extent these markets will be impacted in terms of present and future potential export sales relative to export sales in other geographic regions must be carefully assessed. In every decision to open, close or adjust the staffing complement at ECS operations, a Resource Allocation Matrix (RAM) modeling mechanism might be established and in-place to help ensure best managerial decision.

Action: Design and implement RAM model to help in resource allocation analysis.

**Timing for Action:** Immediate, within six months.

## **I. Improving Coordination with Egyptian Ambassadors**

Issue: The role of Ambassadors world-wide has changed over the years. As the GOE position in the world is linked ever more importantly to its success in competing in international markets, GOE Ambassadors must become more active in commercial diplomacy. GOE Ambassadors must work with ECS staff to ensure ECS activities are an integral part of their Embassy operation. When an Egyptian business needs help with a local Ministry, the Egyptian Ambassador must be there to assist. They must lend their time and prestige to ECS trade events, support local multiplier activities, intercede on behalf of Egyptian bidders for major contracts, and the like. In short, they serve as Senior Commercial Officer at an overseas post.

One special area where Ambassadorial support is really important when it comes to trade promotion is being prepared to use ambassadorial representational funds to help defray costs involved in hosting receptions that bring business representatives together.

Interestingly, one private sector manager interviewed during my visit, stated, “ECS representatives abroad need to do more receptions and other outreach activities that bring business reps together. Some ECS reps do nothing in this regard.” Perhaps, additional government funding targeted to support trade promotion activities at GOE diplomatic missions is a specific area for GOE ministerial review.

Ensuring that these basic assumptions are standard operating procedure in the GOE framework will serve to buttress the ECS Director’s goal to enhance cooperation, collaboration and linkages with key MOT offices such as the WTO as well as with other key GOE ministries such as the Ministry of Foreign Affairs.

Action: Ministerial (Joint: MOT & MFA) Directive to all Egyptian Chiefs of Mission (COM), reinforcing GOE commitment to promoting Egyptian exports, trade and investment activities. The Directive will instruct all COMs to play key, pivotal role in process to reaffirm commitment to collaboration, team work at every diplomatic mission.

Timing for Action: Immediate

## **J. Consider Charging Fees for Services Provided**

Issue: When the U.S. Congress established the creation of the U.S. Commercial Service, it provided that the Service could charge “reasonable” fees for services it provides to U.S. business. As a result, the Commercial Service has developed pricing structures for the various business facilitation services it delivers. Fees collected for these services are modest by private sector standards and have been found to be much appreciated by U.S. business users. In fact, most U.S. business clients of the U.S. Commercial Service view the offered product services as tremendous value for fee assessed.

Discussions with ECS staff clearly indicate that the current lack of authority for the ECS to levy charges for the services it provides to the Egyptian business is a serious liability in that the ECS represented must often personally bear expense involved in such support. Paying from their own pocket to facilitate airport pick up and other transportation costs, covering representational activity expenses are but a few of the costs cited by ECS staff as standard operating procedure when assisting visiting Egyptian business reps. This kind of situation is not, in most circumstances, conducive to active, or even better, proactive trade promotion. Either adequate government funding must be in place to assist trade promotion efforts (and associated costs) or a fee structure developed and implemented for trade facilitation services provided to clients. For maximum advantage of ECS, it is recommended that a combination of adequate government funding coupled with authority to collect fees for basic services provided, will be useful.

The U.S. Commercial Service has an inventory of customized trading partner programs which it offers to U.S. businesses seeking to expand markets internationally. Three are

suggested as basic prospects for consideration by the ECS as models for similar revenue generation programs it may wish to create. They are:

- **International Partner Search:** This service provides customized search that helps identify agents, distributors, and foreign representatives for U.S. firms. A fee of \$350 per country is charged.
- **Gold Key Service:** Offered by many U.S. Commercial Service overseas posts, the Gold Key is a custom-tailored service for U.S. firms planning to visit a country. It provides assistance in developing a sound market strategy, orientation briefings, introductions to potential partners, interpreters for meetings, and effective follow-up planning. The fees range from \$150 to \$1,500 (for the first day) per country.
- **Flexible Market Research:** A custom-tailored research service that provides firms with specific information on marketing and foreign representation for their individual products in one overseas market. Fees vary from \$1000 to \$5,100 per country.

Action: The ECS must seek authority to introduce “fee for service” structure for some of the export promotion assistance it provides to Egyptian businesses. Alternatively, supplemental funding to trade promotion activities, especially to support ECS operations abroad, is essential. These funds will help defray expenses incurred, in support of Egyptian business, which now may be unduly borne by ECS staffs.

Timing for Action: Immediate and continuous

## **K. Rotation of Key Staff**

Issue: The ECS Director appropriately identifies the critical need to have senior ranking staff onboard at ECS headquarters in Cairo. This is particularly true in the Deputy ECS position as well as the five Regional Office heads. Incumbents in these positions must, ideally, be persons who have senior rank, training and previous overseas experience. Further, these incumbents must, barring extraordinary circumstance (and needs of the service) be assigned for three year (minimum) tour of duty. Four years would be optimum.

At the present time, as the ECS steadfastly moves to ratchet up its operations, with a focus to institute systems, it is critical and even vital for success, that key personnel now engaged in this effort be directed to “stay the course” and continue to contribute their exceptional experience, talent and skills to further advance the effort. The systemic approach to improving ECS operations being delivered by the current Deputy ECS Director is outstanding and every consideration needs to be made to ensure this capable officer remains at the helm of the effort.

Action: ECS Director is recommended to ensure that, at a minimum, the ECS Deputy Director position as well as all Regional Director positions are encumbered by ECS staff who have senior rank (Counselor and Above), training, and previous overseas experience. Further, the ECS Director is encouraged to set standards for tour of duty lengths for all officers. Ideally, those posted to ECS Cairo headquarters should be expected to remain three years minimum, four years maximum.

Timing for Action: Immediate, within next 90 days.

## **L. Application of Information Technology to ECS Operations**

Issue: The ECS Deputy Director has designed and is implementing a program system which uniformly collects trade leads from ECS representations around the world, reviews and culls them upon receipt at ECS Cairo headquarters and acts quickly, via electronic mail, to disseminate them to multipliers such as ExpoLink, the AmCham, the EBA and the various GOE commodity committees who distribute them to their respective memberships. This system is working, but only works well when ECS staff assigned to distribute the leads have proper and adequate IT tools. During one visit with junior staff at the ECS, I had the opportunity to observe them busily entering data for transmission on to end-users, prospective Egyptian exporters. Complimenting one young Attaché on the job he was doing as he entered data, he quickly responded that he was “lucky” that particular day to be at a computer terminal workstation because the person who usually sat at that place was away on official business. Apparently, when all of his office mates are present, he must share the computer.

Action: An assessment of ECS computer/peripheral needs is indicated. Every effort needs to be taken to ensure that all key staff, especially those involved in handling time sensitive trade leads, has the equipment tools needed to do the job. This assessment must be a joint ECS/ATR effort.

Timing for Action: Immediate.

## **M. Improve Connections with the Local Business Community**

Issue: There are many local market participants who can be used by the ECS to help strengthen its organizational efficiency and effectiveness. Discussions with program directors at several key market participants such as The American Chamber of Commerce (AmCham), the Egyptian Exporters Association (ExpoLink) and the Egyptian Businessmen’s Association indicate that ECS can do more to strengthen its linkages with these multiplier organizations.

In response to questions regarding the effectiveness of the ECS as the prime GOE entity charged with export promotion, program directors of private sector entities met, offered the following comments.



“Caliber of ECS overseas staff, especially in key trading partner locations, is not consistent in terms of experience and market promotion savvy.”

“Some are just ineffective because they simply do not know the marketplace.”

“The ECS website needs updating. Some representatives have moved on...some have died.”

“ECS staff needs technology experts, systems analysts.”

“The ECS must do more outreach. Public relations are key to successful trade promotion.”

“ECS staff needs better command of English, especially “Business English.”

“ECS staff can benefit from training collaboration and practical experience with other export promotion entities.”

This sampling of comment from local outside groups suggests some specific areas for improvement the ECS must consider.

As a start, based on my discussions with private sector entities, especially ExpoLink, I urge the ECS to take the following steps immediately:

- Make, as a standard operating procedure, linkage with key private sector helpmates such as ExpoLink. The ExpoLink Executive Director is prepared and ready to strengthen the working relationship to include more prospects for “on-site” training, export technique instruction for ECS staff at Cairo ExpoLink office. The Executive Director even suggested that all new attaches need ExpoLink orientation and training. This is another “early win” opportunity for the ECS.
- Make plans for ECS staff to visit, on a regular basis, factories, businesses and industries in Egypt, especially those engaged in exporting. Every new ECS officer should have this kind of commercial orientation prior to overseas assignment. ExpoLink and EBA are both ready to work with ECS to set up meetings with their constituents engaged in export trade. Visits and consultations with other “export ready”, but not yet exporting firms can also be started.
- Look to incorporate views of ECS “alumni” who have moved on to the private sector after successful service with the ECS.
- Through stepped up relationship marketing, build up direct, personal contacts with business development services that can provide support to private enterprise

(e.g., accounting firms, lawyers, marketing firms, advertising firms and business consultants).

Action: ECS Director and/or Deputy Director will meet with Executive Directors of both the AmCham and ExpoLink with the aim of setting in motion specific areas for collaboration. Progress, not perfection is the immediate goal in taking this action. The purpose will be to discuss some very specific, concrete ways to collaborate. This kind of networking, if actively pursued is guaranteed to bring good results.

Timing for Action: Immediate, within next 30 days. Executive Directors at both Amcham and ExpoLink have assured me they are ready to help.

## **II. ADDITIONAL RECOMMENDATIONS**

**“The best way to predict the future is to invent it.” Alan Kay, Director of Research  
Apple Computer Company**

**“The Destiny of any Nation is determined by its young men under the age of 25.”**

**Goethe**

The ECS now stands at a critical threshold. Under the guidance of an active and enthusiastic new director, it is prepared to make necessary changes which will provide greater opportunity for Egypt to successfully meet the ECS mission “to build upon Egyptian economic relations to promote trade and investments between Egypt and other countries world-wide.”

Importantly, as the world trading system evolves rapidly into a global market with lower trade barriers and greater capital mobility, international trade becomes even more critical to the health and vitality of the Egyptian economy. All Egyptian officials, starting with the President, put export growth as a top priority and prerequisite for sustainable growth.

During the October 23, 2003 – November 12, 2003 period spent in Cairo, a large portion of the time was spent directly working with senior managers at the ECS, observing daily operations of the organizations and discussing plans involving current operating procedures as well as plans of action for the immediate future. Most of what was observed during this relatively short time period indicates that the ECS is definitely hard at work on its defined mission to promote the sale of Egyptian products around the world. What is required at this time is action to establish and implement specific training aimed at every level of the staff organization. It is suggested that the first target be the junior staff, the new class of some 40 brand new entrants. These folks are the future of the ECS and must be given every opportunity to excel right from the beginning of their service.

It is very, very clear that the new officers are ready and anxious to help advance the ECS mission. Yet, there appears to be some uncertainty among a few as to just what lies in store for them in the days ahead. Perhaps, the suggested mentor system will help to allay some concerns. And, the provision of specific training, prior to the first overseas assignment will be invaluable. It was interesting to note that some of the new class indicated that training programs have been talked about, especially some activities with the Ministry of Foreign Affairs, but that nothing concrete has yet materialized. These uncertainties must be removed as they can cause doubt, confusion and will be harmful to morale if left unanswered.

Most of my time was spent with senior and mid-level ECS staff. This was not wholly satisfactory. It would have been helpful to have more contact with the junior staff. Two young officers offered two specific concerns. One, had no idea of when he might be going abroad. Not even the slightest idea. Apparently, each member of the new class of attaches is “rank ordered” and their standing in rank plays a determining role in their future assignments. Another informed he needed a computer and did not have his own workstation to expeditiously do the work required to get trade leads disseminated to Egyptian exporters. This last finding suggests a review of equipment needs may be advisable and additional equipment purchases made as required.

To buttress action steps discussed in this paper, will require a strong reaffirmation of USAID Strategy for Building Trade Capacity (TCB) mandate for USAID and other USG trade policy agencies to work closely to coordinating GOE requests for TCB assistance. This is especially true in the areas of training mentioned, specifically Area Studies as well as the Tradecraft course offerings of the State Department’s Foreign Affairs Training Center. Use of expert, in-place, proven excellent training offerings by the U.S. government can be invaluable to the ATR effort.

### **III. NEXT STEPS**

This consultancy looking at the ECS operation provides guidance for immediate and longer range actions which, if implemented, will serve to improve ECS as an institution charged with the responsibility for promoting the country's international trade relations.

ATR should continue to work with the ECS, tracking, and assisting as appropriate, the implementation of the issue actions discussed. ATR, in consultation with USAID, should consider and implement action to enlist the support of U.S. Department of State, specifically the Foreign Affairs Training Center as a provider of training support to the ECS. This training will be an excellent complement to private sector organizations/institutions used.

Strong consideration by all parties (ECS , ATR-USAID) to continue the use of expert consultants as discussed in Section II: Issues, is advised, especially placement of short-term advisors at both ECS headquarters and at select ECS posts abroad.

Attached as Appendix 3 are a set of additional steps that can be taken in the area of institutional development to assist ECS.

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- Trade Secrets: The Export Answer Book for Small and Medium-Sized Exporters: Egypt Sample front pages. Text can be obtained from ExpoLink.
- Samples of ExpoLink promotion/trade lead collection forms

## **SUGGESTIONS FOR CHANGES IN ORGANIZATIONAL STRUCTURE FOR ECS**

### **Rotation and Assignment of Staff**

- Tours of duty need to be established for both overseas and domestic postings. Suggest 3-4 year postings at minimum. Four year postings are recommended for continuity and sustained system flow. Current system is erratic and, largely, it appears, driven by political decisions based on personality rather than principle. For example, once assigned to a major post, an incumbent may stay for periods up to 7 years regardless of performance.
- Assignment criteria must be developed which clearly enunciate qualifications and special aptitudes of staff. This is especially true for overseas postings. Currently, only academic credentials are submitted for review by decision makers. There is no inclusion of past employment or special skills possessed by candidates being posted. This often will result in instances where the best person for the position is not the one assigned. Recommend immediate action to include a full profile, employee skill set analysis be performed on every ECS officer. This skill set analysis will include such details as academic preparation, language training/skills, previous employment (private sector), overseas travel, and any other aspects which are considered vital to make best decision.
- Organizationally, senior ECS and MOFT managers must take a hard look at current staffing arrangements to identify gains that could be made through adjusting staff assignments. Obviously, because of entrenched political machinations, this will be a “rough row to hoe.” In fact, it may be nearly impossible. Here, my managerial sense tells me the advice offered by ECS Director Hefni is right on target. When we discussed management, operation changes, improvements, he cautioned that three things always be considered i.e. being PATIENT, POSITIVE and PRAGMATIC. These factors he suggested as critical additions to the seven P’s I suggested to him; Prior Planning and Preparation Prevents Piss-Poor Planning. As an integral part of this process, the ECS is encouraged to consider establishing a rigorous “selection out” system where officers who continuously do not meet an established level of performance are asked to leave the service. This kind of on-going review and assessment of staff performance is ESSENTIAL. Without it, marginal performance or no performance becomes the norm.

### **Job Descriptions and Development of Critical Staff Positions**

- One of the first critical staff levels to analyze immediately is the “core”- the key operatives at the top of the ECS organization which the ECS Director must rely



upon. I recommend this core consist of the several Regional Managers and the Technical/Operational unit. It may also be appropriate to appoint a “deputy” director of ECS to assist the director in his work.

- The role of the Regional Director needs to be reviewed, primarily to ensure that incumbent is among the “best” qualified staff in terms of experience, performance and willingness to embrace the vision set forth by senior management. Apparently, some may be “long in the tooth” and in place by virtue of seniority, yet not have the “wanna” to make way for change and improvement. If this is determined by management to be the case, these folks need to be moved to other positions.

### **Coordination Outside of ECS**

- For strengthened collaboration and cooperation between MOFT units, it is essential that unit heads/directors meet and share what is taking place in their respective offices. From my brief discussions with others, it is clear that there is some confusion outside of ECS as to its role in the Ministry. Any ATR action to facilitate communications between units as well as with others, as appropriate, will be helpful. Dr. Ben Crosby at MSI is excellent at this kind of “team” understanding and appreciation training.

### **Training**

- The need for training is a consistent thread in my review of ECS operations. While training is required at all levels, immediate focus/attention should be on the junior officers. Not only I know this as an “objective” outsider brought in to help suggest changes, but my intuitive view was shared UNANIMOUSLY by all private sector reps interviewed. Not a single one failed to note that the young officers are the key to any solid future of the ECS. These private sector business reps are among the leading, I repeat, leading business and global interests in Egypt. Two of them, one a former ECS officer himself, have served on selection committees assessing new entrants to the ECS. It was starkly revealing when I asked the former ECS officer why he left the service and he said “three factors caused me to leave...they were frustration, impatience and inability to accept the incompetence of the boss.” Here, again was a clear explanation for why it is imperative to act soonest to make sure the new entrants get all the training, motivation, encouragement and guidance (MENTORING) needed now to keep the “fire in their bellies” hot and raring to go. Once it goes, they will likely go off to find better prospects in a different organization, or stay, with the flame extinguished and their morphing into just another ineffective, inefficient cog in a disparate (and desparate) bureaucratic mumble jumble. What a waste this will be if it is permitted to happen.

### **Patience**

- Rome wasn't built in a day. And surely, the ECS is not going to be reengineered overnight and not at anytime soon. What is needed is a hard look at achieving reasonable "early wins." ECS Director and his closest advisors are doing just that...working to initiate new systems. Yet, they need help. Help from ATR and help from any other organization and/or individual willing and able to provide assist. Training is basic. No grand elaborate, cutting edge organizational set up is going to change the fact that the staff needs training and preparation for the task of promoting exports. To be more effective, the entire staff needs to understand and embrace the basic pillars for success... Training, Information and Contact building. The more help provided is DIRECT, PERSONAL AND WITH THE BENEFICIARY will greatly determine success. Too much advice and guidance from a distance is not terribly helpful.